implemented to ensure that the farmers get remunerative prices for their exports as well as increased access to the international market.

There is no proposal for reduction in the subsidies to the agriculture sector.

Announcements regarding import of wheat

*99. SHRI MOINUL HASSAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether he had made announcements about import of wheat in February and March, 2006 when the wheat crop was still standing on the ground and the procurement process was starting in March;

(b) if so, whether Government are aware that this has created a false sense of scarcity, which fuelled excess purchase by private traders and encouraged big farmers to hoard the wheat produced; and

(c) if so, the reaction of Government thereto?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): (a) to (c) The stock of wheat in the Central Pool as on 1st January, 2006 was 61.88 lakh tonnes as against the buffer norm of 82 lakh tonnes as on 1st January. Keeping in view this deficit of about 20 lakh tonnes in the stock of wheat against the buffer norm as well as high open market prices, a decision was taken in February, 2006 to import 5 lakh tonnes of wheat through STC.

The step of the Government to go in for imports of wheat was not against the interest of farmers and consumers since this wheat was imported for the Southern States only and not for wheat procuring States. Hence, it did not harm the interests of the farmers since it had no impact on the procurement prices which remained high in the wheat producing States. This decision has helped the consumers in southern States since this import has served to stabilize prices in southern States.

This decision did not create a false sense of scarcity which is shown by the fact that wholesale prices of wheat in many major consuming centres such as Delhi, Kanpur, Karnal, Indore, Nagpur and Rajkot reduced by Rs. 50-175 per quintal. The more active private participation in the purchase of wheat this year has been mainly due to trade assumptions on demand-supply imbalance.